

From: Richard Saul
To: Microsoft ATR
Date: 1/14/02 2:12pm
Subject: Settlement in Microsoft Antitrust Case

Microsoft wields enormous power in the computer industry. They are able to share software and computer hardware development. I have been a software engineer for twenty years and I have seen Microsoft grow from "micro" to huge.

Microsoft has a long-standing practice of including new features that directly compete with another company's software into the Windows operating system family. They brought this practice with them from the DOS operating system.

Microsoft has done used this exact practice with:

1. Memory management, inclusion of Expanded Memory Services killed Quarterdeck's QEMM.
2. Disk Compression, inclusion of disk compression wiped out Stac Electronics Stacker.
3. Fax Services, by including fax capability Microsoft has reduced the market for WinFax.
4. Remote Control software (like PCAnywhere) is an example that has just been introduced in Windows XP.

Microsoft will enter a market with a very low priced product because they have the scale of economy to afford to dump the product at a loss. They do this until they have wiped out their competitors. This has been done with:

1. Access, Microsoft introduced Access for \$99 at a time when databases commonly cost \$500.
2. Internet Explorer, Microsoft gave IE away when Netscape cost \$40 to buy.
3. TCP/IP network access. Microsoft gave away free TCP/IP software when ordinarily it cost \$350 or more.
4. The XBox is a current example of this product.

Microsoft "subsidizes" their competition and includes other company's products into Windows. This might appear to be in a company's best interest but in fact it limits the company's ability to succeed because of the contractual obligation they are under.

1. HyperTerminal
2. Citrix

Last and maybe worse Microsoft manipulates standards to their benefit.

1. Java as a language was standardized by Sun Microsystems, Microsoft introduced a "Java" product with different features that competed against Sun's standard.
2. Microsoft formulated the Internet Explorer web browser to understand the HyperText Markup Language different than Netscape; web developers had to choose between developing for one, the other or both.

Microsoft has delivered incredible value for its customers. I have no doubt. But they have done that over the dead bodies of dozens of competitors. Microsoft's ability to create a new operating system version and be the only company to deliver productivity software for the platform is almost the heart of their advantage. Take it away!

If you look at every major Microsoft OS introduction of the last 10 years, Microsoft always delivers a new version of Office simultaneously. They are the only company that can and their competitors spend

the next year catching up. Stop this!

The only way that true competition can be restored is if Microsoft's Operating System group is torn away from the Applications group. Break Microsoft up!

Breaking Microsoft up into at least 2 and maybe more companies is the only way to restore competition in the software market. I bet if I wrote this in Microsoft Word you could read it, but if I wrote it in Lotus WordPro you couldn't!

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